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**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

PLANNING COMMISSION

MEETING DATE October 13, 2016	CONTACT/PHONE Brian Pedrotti 788-2788 bpedrotti@co.slo.ca.us	APPLICANT County of San Luis Obispo	FILE NO. LRP2016-00016
SUBJECT Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO to consider the San Miguel Community Plan Update and to: 1) amend and update the North County Area Plan, Part II of the Land Use and Circulation Element of the County General Plan by updating the San Miguel Community Plan for the area within and outside of the existing San Miguel Urban Area, and making other related changes to the Area Plan; 2) amend Chapter 22.94 of the Land Use Ordinance, Title 22 of the County Code by revising and updating planning area standards, and 3) amend the Official Maps, Part III of the Land Use Element of the County General Plan to reflect changes to land use categories and combining designations. The update includes a number of changes to goals, policies, programs, land use categories, combining designations, and planning area standards.			
RECOMMENDED ACTION 1. Receive and file staff's presentation on the San Miguel Community Plan Update; 2. Continue to a future hearing scheduled for October 27, 2016.			
ENVIRONMENTAL DETERMINATION A Draft Environmental Impact Report (DEIR) has been prepared (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) for this project. Upon completion, the Final EIR will be made available to the public and will be considered by the Planning Commission prior to approval of the project. The EIR addresses potential impacts on: Aesthetics; Agricultural Resources; Air Quality; Biological Resources; Cultural Resources; Greenhouse Gas Emissions; Hazards-Hazardous Materials; Hydrology and Water Quality; Land Use; Noise; Public Services; Recreation; Transportation; and Wastewater. Mitigation measures are proposed to address these impacts and are included as proposed policies, programs and standards in the Public Hearing Draft of the San Miguel Community Plan and in the Land Use Ordinance, Title 22 of the County Code. For the Community Plan Update, overriding considerations will be necessary based on significant and unavoidable impacts associated with the project.			
LAND USE CATEGORY Various	COMBINING DESIGNATION Not Applicable	ASSESSOR PARCEL NUMBER Various	SUPERVISOR DISTRICT(S) 1
PLANNING AREA STANDARDS: Not Applicable			
EXISTING USES: Not Applicable			
SURROUNDING LAND USE CATEGORIES AND USES: Not Applicable			
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Agricultural Commissioner's Office, Environmental Health, General Services & Parks, County Public Works (with regard to roads, circulation, drainage, and infrastructure), the Sheriff's Office, APCD, City of Paso Robles, the Economic Vitality Corporation, LAFCO, the Regional Transit Authority, San Miguel Community Advisory Council, San Miguel CSD, SLOCOG, California Department of Fish and Game, California Department of Toxic Substances, California Public Utilities Commission, Native American Heritage Commission, Regional Water Quality Control Board, State Historical Preservation Office, US Fish and Wildlife Service.			
TOPOGRAPHY: Not Applicable		VEGETATION: Not Applicable	
PROPOSED SERVICES: Not Applicable		AUTHORIZED FOR PROCESSING DATE: Not Applicable	

ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT:
COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242

CONTEXT OF THE SAN MIGUEL COMMUNITY PLAN UPDATE

Issues

Due to a historically fluctuating population and the close proximity to the City of Paso Robles, San Miguel faces many economic and planning challenges. The community of San Miguel has a diverse history with a series of boom and bust periods. The expansion of the adjacent railroad and the close proximity to Camp Roberts created a bustling community between 1886 and the end of the World War II. The abrupt closures of Camp Roberts after WWII and the Korean War lead to a fluctuating economy, and the community found it difficult to maintain a balance between housing and jobs within the area. Currently, San Miguel is primarily a residential community with a focus on farming for agricultural uses in the surrounding areas, and contains limited commercial enterprises.

Businesses in the community fall within three categories, including agricultural support, visitor services, and neighborhood retail; however many of the community's business and service needs are not met locally. Most residents commute to the southern portions of San Luis Obispo County or to the northern reaches of Monterey County to find jobs to support families and obtain basic commodities and services. This has created an imbalance between housing and commercial services within the community. San Miguel also is challenged due its proximity to the neighboring City of Paso Robles. Paso Robles has a large commercial vacancy rate and a large market base, which attracts new businesses to Paso Robles as opposed to San Miguel. In addition, Paso Robles has a greater presence of commercial services and housing types therefore making it difficult to attract new commercial entities and housing developers to San Miguel.

San Miguel is also challenged by the limited funding and resources accessible to the community. The area in which new development can occur is limited due to water constraints, proximity to Camp Roberts, and lack of access across railroads. New development must have the ability to provide the costly infrastructure to overcome these constraints in order to create a variety of housing types and commercial services.

Potential Solutions Facilitated by the Community Plan Update

The San Miguel Community Plan Update is intended to address many of these current constraints from a planning context, in order to pave the way for future development, but alone cannot address all of these issues. A critical component related paving the way for new development in community is the Environmental Impact Report (EIR). The EIR completed for the Community Plan Update is anticipated to streamline future development, as it analyzes a reasonable level of potential development that would likely occur within San Miguel through 2035 and sets forth easy to understand criteria to guide new development. As long as new development is consistent with the criteria, no further environmental review would be required, thus lowering the cost and time to build new projects. This level of environmental impact analysis will result in significant savings for future projects. In addition, an economic strategy study was prepared in October 12, 2012 for the community that identified potential strategies to bolster the local economy. A Public Facilities Financing Plan for the San Miguel Community Plan was prepared in November 2014, focusing on population projections, jobs to housing balance, housing types, and land suitability within the community. The focus of this document, in conjunction with the vision, wants, and needs of community members, created a Community Plan that concentrates on the improvement of recreational facilities, tourism-oriented development, public facilities, and infrastructure to support growth.

The Programs, Policies, and Standards included in the Community Plan Update are intended to encourage growth within the Urban Reserve Line, enhance infrastructure, and streamline environmental review for future development projects. The Plan aims to provide a path towards housing to jobs balance while preserving the natural and historic resources of San Miguel.

SUMMARY

The San Miguel Community Plan update is a comprehensive, community-based plan that will guide future growth and development in and around the community of San Miguel over the next 20 years. The draft plan is accompanied with an Environmental Impact Report (EIR) that covers approximately 560 acres within San Miguel's existing Urban Reserve Line (URL) and approximately 1,800 acres adjacent to the town referred to the Study Area (see attached Figure 2-3). The EIR analyzes the proposed draft plan and various alternative plans. As recommended by staff, the plan would accommodate future growth that could ultimately result in a population of approximately 3,660 at buildout and including up to 160 additional acres adjacent to the existing town.

The Draft Plan contains policies, programs, standards and guidelines to help achieve a vision for San Miguel and implement the goals and principles of the County General Plan. The plan provides for a mix of residential and commercial land uses along with expanded recreational areas, new public facilities, and the creation of mixed-use space. The town would retain its historical character while creating a balance of housing types and creating business opportunities in San Miguel.

Anticipated Schedule

Staff anticipates that it will take more than one hearing for the Planning Commission to receive public testimony and complete its deliberation on the Community Plan. Following the October 13 hearing, are two additional planned hearing dates: October 27 and November 10. With that in mind, staff proposes the following discussion schedule to guide the proceedings.

1. Primary issues – Change, growth and population, expansion of the URL, land-use mix, economy and timing of the initial development, community priorities, Class I impacts (Agriculture & Land Use), circulation, water, public facility timing and overall costs, General Plan consistency, and implementation programs.
2. Review of Community Plan Chapters, including additional staff recommended changes.
3. Review of the EIR – Mitigation measures and findings.
4. Related amendments – Land Use and Circulation Element amendments, rezoning of property, Land Use Ordinance amendments, and Official Maps.

SETTING

The unincorporated community of San Miguel is located in northern San Luis Obispo County, approximately seven miles north of the City of Paso Robles, and is home to approximately 2,300 residents with approximately 737 dwelling units. San Miguel is located about three miles south of the Monterey County Line and approximately 7 miles north of the City of Paso Robles, and is directly east of Camp Roberts.. The community's Urban Area consists of 560 acres that runs along US Highway 101 to the west and the Union Pacific Railroad and Salinas River divide the community on the north/south axis. The town is set in a terraced valley, with the Santa Lucia Range to the west and the Cholame Hills to the east. The Salinas River floodplain occupies about 140 acres within the existing URL. It is completely surrounded by large-lot residential development and agricultural lands, including vineyards and forage crops. Enhancing the cultural heritage of San Miguel's setting are the Mission San Miguel Arcangel and the Rios Caledonia Adobe on the southern edge of the community. San Miguel has a post office, an elementary school, a branch of the County library, several restaurants, two small convenience stores, a wastewater treatment plant, and a community park, as well as churches and other assembly buildings.

BACKGROUND

The Board of Supervisors authorized an update of the San Miguel Community Plan in November 2011 in response to the community's request to enhance San Miguel, through improved guidelines for future growth and development. This decision was, in part, based upon the State of California Strategic Growth Council Grant, which provided \$129,000 in funding for the update of the San Miguel Community Plan. The focus of the Board's direction included a healthy, economically viable community with complete infrastructure and public facilities. The County Board of Supervisors approved consideration of the Study Area consisting of all lands (560 acres) within the 2011 Urban Reserve Line as well as areas for potential community expansion. The San Miguel Community Services District boundary encompasses approximately 1,800 acres and was established as the outer limit of the Study Area for the plan. Mission Street bisects the Study Area in a north-south direction and acts as the primary circulation route through the community.

County Staff, in partnership with Cal Poly students in the City and Regional Planning program, conducted a series of three public workshops between October 2010 to January 2011, to give the community and property owners the opportunity to share their vision for San Miguel. The meetings were well attended. Attendees of the first workshop participated in a community visioning exercise to identify local issues, the needs and desires of community members, and preferred types of development for future growth. The second workshop explored the opportunities for future development and the third enabled the community to review the consensus plan that incorporated feedback from the previous two workshops. The students also conducted surveys throughout the community, surveyed school children, and contacted the Spanish-speaking population. The San Miguel Forward Collaborative, a sub-committee of the San Miguel Advisory Council, was formed in October of 2012 to ensure that the community's voice was reflected in the goals, community priorities, policies, and programs in the Plan.

Between April 2013 and December 2015 a Water Study (*Fugro Consultants, April 2013*), a Transportation Impact Study (*Wood Rodgers, December 2013*), a Biological Resource Assessment (*Rincon, January 2015*), a San Joaquin Kit Fox Early Evaluation (*Rincon, August 2015*), an Archeological Sensitivity Analysis (*Rincon, August 2015*), and a Historic Content and Resource Evaluation

(*San Buenaventura Research Associates, November 2015*) were completed for the San Miguel Community Study Area. In February 2015, the County entered into a contract with Rincon Consultants, Inc. to prepare an Environmental Impact Report for the San Miguel Community Plan Update.

The EIR covers the Community Plan Update at an overall “program level” and includes the expansion of the existing Urban Reserve Line and updates to the land use, circulation, resource conservation, public facilities, and utilities and infrastructure elements of the plan. A Public Review Draft Plan was prepared using community preferences obtained from workshops and community surveys, which was released in June 2013. The plan was designed to be consistent with community priorities endorsed by the San Miguel Advisory Body and San Miguel Forward Collaborative. The County received 25 comment letters containing 302 comments on the Public Review Draft, please refer to Attachment 3.

After the completion of the Draft EIR and receiving comments on the Draft Community Plan, staff made extensive revisions to the plan based on the public comments and modified the content of the plan based on the impacts and mitigation measures contained in the EIR. The Public Hearing Draft of the Community Plan was released at the end of September 2016, prior to releasing this report. The Final EIR is anticipated to be completed in mid-October 2016.

PUBLIC PARTICIPATION

In addition to the public workshops in 2010 & 2011, the regular monthly San Miguel Advisory Council meetings have been used regularly as a forum to discuss the Community Plan. Special San Miguel Advisory Council meetings were also held for specific purposes, such as to present a progress report on the Community Plan Update. Most recently, the County conducted a public meeting in San Miguel on October 5, 2016 to introduce the Public Hearing Draft to the community at large and answer questions. Staff has also made presentations on the Community Plan to the San Miguel Forward Committee.

AGENCY INVOLVEMENT

Public agencies that have been involved in the Community Plan Update include: the Agricultural Commissioner’s Office, Environmental Health, General Services & Parks, County Public Works (with regard to roads, circulation, drainage, and infrastructure), the Sheriff’s Office, APCD, City of Paso Robles, the Economic Vitality Corporation, LAFCO, the Regional Transit Authority, San Miguel Community Advisory Council, San Miguel CSD, SLOCOG, California Department of Fish and Game, California Department of Toxic Substances, California Public Utilities Commission, Native American Heritage Commission, Regional Water Quality Control Board, State Historical Preservation Office, US Fish and Wildlife Service.

Staff has coordinated extensively with the US Fish and Wildlife Service and the California Department of Fish and Game regarding the San Joaquin Kit Fox in an effort to ensure adequate protection while allowing development to occur, these efforts are reflected in the EIR and the Community Plan itself. Specifically, extensive coordination occurred between the County and US Fish and Wildlife Service and the California Department of Fish and Game to ensure that the agencies were agreeable to the proposed approach to analyze impacts to San Joaquin Kit Fox and how the County would reduce mitigation requirements in certain areas.

SUMMARY OF THE PROPOSED COMMUNITY PLAN UPDATE

Expansion of the URL

Please refer to Attachment 6c, “Expansion Areas and URL Map” for the following discussion. All lands within the proposed expansion area lie within the San Miguel Community Service District boundary. The proposed URL will add approximately 160 acres of land to the 560 acres within the existing URL. Currently, the built environment within the existing URL (including intervening vacant lots) consists of 737 dwellings and 81,000 square feet of commercial space within those 560 acres. The remainder of the acreage is located along the Salinas River and further southeast, and is zoned for Agriculture or Residential Suburban, or is undeveloped land at the edge of the URL.

The proposed expansion areas are adjacent to the URL in two locations. One is an approximately 50-acre portion of the former landing strip property located between Indian Valley Road and the Salinas River. This site is proposed to carry a dual zone of Residential Single Family and Commercial Services in order to provide flexible land use space. The site is currently zoned Agriculture and contains Farmland of Statewide Importance according to NRCS, though it is currently used as a landing strip with no recent history of productive agriculture. Another expansion area consists of approximately 110 acres located north of 20th Street, between Mission Street and the Salinas River. This expansion area is currently zoned Agriculture, and will remain so until access problems are resolved and the appropriate amount and type of urban development is determined.

Future URL Expansion Areas. In the future, when the town expands and additional land is required for new urban development, especially land uses that would provide opportunities for new businesses and employment, community expansion should occur within the 2013 CSD boundaries. This Plan identifies two sites for potential community expansion (see Figure 3-Q):

Expansion Area #1 is located on the west side of Indian Valley Road, just north of the old landing strip site that is referred to as the Indian Valley Road area (see Figure 3-M). This site is also a relatively level area on the upper river terrace. This site is large enough to accommodate a variety of uses, but its location on the east side of the river is less convenient for future expansion.

Expansion Area #2 is located near the southerly end of town, east of the railroad tracks and southeast of the mission. The site contains about eight acres that are gently sloped and outside of the flood hazard area. There may be access constraints due to the railroad tracks. This site’s size would limit it to smaller-scale projects that may be appropriate for the southern gateway to town. In order to expand the community to include any of these sites, an amendment to this Plan will need to be approved. A proposal to expand the community would address things like access and circulation, extension of utilities, water supply, parks and open space, development intensity, and community facilities needed for development (e.g. roads, parks, and water and sewer lines)

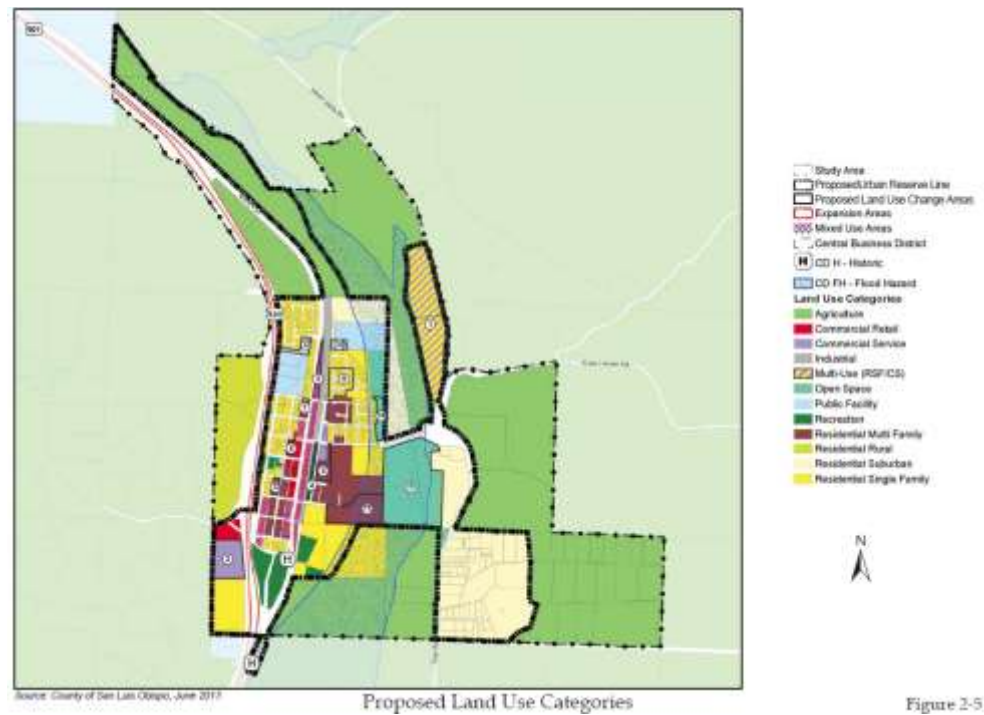
All other features of the Community Plan are located within the proposed URL and no land changes are proposed beyond the URL.

Conversion of Agricultural Land

Please refer to the attached map (Attachment 7-d), “Farmland in San Miguel: NRCS Classification” for the following discussion. The proposed URL expansion areas of the San Miguel Community Plan Update consist of lands currently categorized for Agricultural land uses. No lands within the proposed URL are enrolled in a Williamson contract. The proposed northern expansion contains lands classified as Prime Farmland if Irrigated under NRCS Classification. This area will not be rezoned and no development is proposed in the Community Plan Update. The 51-acre expansion area known as the Indian Valley Road site would be rezoned from Agriculture to a dual zone of Commercial Service (CS) and Residential Single Family (RSF). The proposed Plan would allow for the development of up to 50 homes and a minimum 13 acres of commercial service uses. This site contains approximately 34 acres of prime agricultural land, as defined in the County’s General Plan Agricultural Element. Areas to be designated for land conversion associated with new development under the San Miguel CPU consist of Farmland of Statewide Importance and Not Prime Farmland, as classified by NRCS.

Land Use Mix

The Community Plan provides for a mix of residential and commercial land uses that would allow for residential, commercial, and employment growth within the proposed URL. Proposed land use changes will create additional Commercial Services, Commercial Retail, Residential Single Family, Residential Multi-family, Recreation, Open Space, and Public Facilities land use categories within the URL.



Land use categories added to the expansion areas of the URL include Agriculture (AG) and Multi-Use (CS and RSF). The Indian Valley Area will have the Multi-Use land use category, which will create an opportunity for a minimum of 13 acres of Commercial Services, 50 single family residences, and both active and passive open space. The Plan also proposes to retain the three combining designation overlays of Flood Hazard (FH), Historic Site (H), and Sensitive Resource Area (SRA). Table 1 below provides a breakdown of the existing and proposed land use units, square footage, and acreage at buildout.

Table 1
Existing and Proposed Land Uses Buildout

Land Use Category	2015 Baseline Conditions			2035 ^a Plan Horizon			Net Change	
	Residential Units	Commercial (sf)	Acres ^b	Residential Units	Commercial (sf)	Population ^c	Residential Units	Commercial (sf)
Residential Multi Family(RMF)	265	--	67.45	312	--	991	47	
Residential Single Family(RSF)	384	--	186.11	674	--	2,135	290	
Residential Suburban (RS)	88	--	95.13	122	--	388	34	
Commercial Retail (CR)	--	70,000	29.19	46 ^d	148,000 ^e	144	46	78,000
Commercial Service (CS)	--	11,000	31.17	--	59,000 ^f	--		48,000
Industrial (IND)	--	0	18.79	--	3,000 ^g	--		3,000
Agriculture (AG)	--	--	102.73	--	--	--	--	--
Open Space (OS)	--	--	81.49	--	--	--	--	--
Public Facilities (PF)	--	--	26.40	--	--	--	--	--
Recreation (REC)	--	--	32.78	--	--	--	--	--
Totals	737	81,000^h	671.24	1,154	210,000	3,658	417	129,000

a. 2035 projections are based on anticipated population growth projections compiled by the County Planning and Building Department. The numbers of units assigned to each category assume that growth will occur on land with existing entitlements lands first. After that, the ratio of Residential Single Family and Residential Multi-Family units is expected to be consistent with historic trends. Commercial square footage estimates are based on the market estimates provided in the San Miguel Economic Strategy (Natelson Dale 2013).

b. Acreage calculations are based upon gross acreage. Gross acreage includes lands not suitable for development, such as road rights-of-way, access easements, or flood hazard areas.

c. Population projections assume maintenance of 3.17 persons per dwelling unit, as observed in the 2010 US Census.

d. Residences are an allowable use in the Commercial Retail (CR) land use category if they are secondary and incidental to a primary commercial use. Mixed use developments are encouraged within specific areas of the community, including portions of the Central Business District.

e. Of the 148,000 square feet anticipated for the Commercial Retail land use category, roughly 141,000 square feet would be for retail use, 5,000 square feet for office use, and 2,000 square feet for light industrial use.

f. Of the 59,000 square feet anticipated for the Commercial Service land use category, roughly 13,000 square foot would be for retail use, 6,000 square feet for office use, and 41,000 square feet for light-industrial use.

g. Because most of the land in the Industrial land use category is owned by the railroad, only 3,000 square feet of floor area is anticipated with all uses for the Industrial land use category.

h. Roughly 81,000 square feet of occupied commercial structures was estimated by County staff. Larger unoccupied buildings (e.g. Purina Barn) were excluded from this calculation, as they skewed industrial square footage estimates.

Residential Land Use

Currently, there are about 737 dwellings in the urban area, consisting of 265 Residential Multi-Family units, 384 Residential Single Family units, and 88 Residential Suburban Units. Many of the residential units are located on the west side of San Miguel, east of the Salinas River.

The Draft Plan allows for up to 417 new residential units, resulting in a total buildout of 1,154 units. Growth allowed under the current community plan could result in a projected buildout of 1,333 units with a projected population slightly less (approximately 1.6 percent less) than under the proposed CPU. Residential development would occur in five primary land use types, which are not necessarily the same as the land use categories or zones shown on the Official Maps of the Land Use Element: Residential Single Family (RSF), Residential Multi-Family (RMF), Residential Suburban (RS), Commercial Retail (CR), and Multi-Use (CS/RSF). The CR areas shown and described in the Community Plan are intended to identify areas where mixed-use is encouraged. The CS/RSF areas shown and described in the Community Plan are intended to identify areas where flexible land use is encouraged and extension of services is necessary.

A majority of the new residential units that could be developed under the plan are located in the RSF land use category, with a density of seven units per acre. Of the 417 new residential units that could be developed under the plan, 290 would on land in the RSF land use category. Single family residences can also be developed in Residential Suburban and Multi-Use land use categories. The Multi-Use category allows for up to 50 new single family homes to be developed in the URL expansion area off of Indian Valley Road. This area is intended to enable property owners to add commercial uses to neighborhoods developed at single-family densities.

Table 2
Proposed Residential Land Use Changes

	Location	Description
1	East end of 11 th Street, adjacent to the Salinas River	Re-designate a 17-acre parcel from Residential Suburban (RS) to Residential Multi-Family (RMF).
2	West side of Indian Valley Road, just north of Cross Canyons Road	Re-designate a 51-acre parcel from Agriculture (AG) to a dual zone of Commercial Service (CS) and Residential Single Family (RSF) to allow up to 50 homes.
3	East side of N Street, south of former 13 th Street right-of-way	Re-designate 3 acres from Commercial Service (CS) to Residential Multi Family (RMF).
4	West side of L Street, between 11 th and 12 th Streets	Re-designate 1 acre from Residential Single Family (RSF) to Residential Multi-Family (RMF) to allow infill development.
5	East side of Rio Vista Place, just north of River Road	Re-designate from Residential Single Family (RSF) to Open Space (OS)
6	East of N Street, between 16 th Street and Armand Avenue	Re-designate from Residential Multifamily (RMF) to Residential Single Family (RSF)

The Community Plan allows for 46 of the 417 total new residential units to be developed on lands designated Commercial Retail. This land use category encourages mixed-used development, where residential units such as apartments are located above or behind commercial uses. 47 of the total 417 units can be developed as multi-family dwelling units, which allow approximately 15 units per acre. Overall, the variety of housing types and the proposed densities should be appropriate for a community that will offer a range of housing opportunities, yet retain a rural character.

Commercial Land Use

The plan includes three commercial land use types: Commercial Retail (CR), Commercial Service (CS), and Industrial (IND). The land uses are strategically located to serve the daily needs of the San Miguel residents by providing goods, services, entertainment, and employment opportunities, as well as housing in close proximity to these services. Commercial areas are located to complement each other and provide a variety of amenities to serve the community and surrounding area. In total, there are approximately 80 acres for commercial and industrial uses. These areas are primarily located along Mission Street and 10th Street, with larger commercial acreages west of the freeway and east of the Salinas River.

As shown in Table 3-A (Attachment 4 of the staff report), the Community Plan Update provides for a total of up to 210,000 square feet of floor area for new commercial development. In order to achieve a more compact urban form, the plan encourages floor area ratios consistent with those found in small downtowns rather than in suburban settings. Floor Area Ratio (FAR) is the ratio of building space to land area, and is an indicator of the intensity of development on a parcel. Please refer to Section 3-2.3 and Figure 3-H in the Community Plan for a more detailed discussion of FAR. With the floor area ratios encouraged by the plan, the 80 acres provides ample room for future expansion of commercial development to meet the community's future needs while maintaining some degree of competition in the commercial market. The result should be to avoid the need to "leap-frog" over residential areas when commercial expansion is needed.

**Table 3
Proposed Commercial Land Use Changes**

	Location	Description
1	West side of Indian Valley Road, just north of Cross Canyons Road	Re-designate a 51-acre parcel from Agriculture (AG) to a dual zone of Commercial Service (CS) and Residential Single Family (RSF) to allow between 13 and 51 acres of commercial service development.
2	West side of Cemetery Road, south of 10 th Street	Re-designate 15 acres of a 20-acre site from Commercial Retail (CR) to Commercial Service (CS) to allow for business park development.
3	East side of Mission Street, north of 16 th Street	Re-designate 3 acres from Commercial Service (CS) to Commercial Retail (CR), allowing expansion of the Mission Street commercial corridor.
4	West side of Mission Street, south of 14 th Street	Re-designate from Office Professional (OP) to Commercial Retail (CR).
5	West side of Mission Street, north of 15 th Street	Re-designate from Office Professional (OP) to Commercial Retail (CR).

The CR and CS areas are broken into three primary areas in the Community Plan. Commercial areas near the 10th Street off-ramp, including a large undeveloped parcel west of the highway, would remain focused towards visitor-related services. Visitor-serving commercial As the community grows, it is envisioned that Mission Street will consist of primarily Commercial Retail, encouraging the development of mixed-used projects. The CPU will re-designate all land in the Office Professional (OP) category to the CR category, providing for a higher flexibility in use. The third area will be the Indian Valley Area, which will have at least 13 acres zoned for Commercial Services. The Commercial Service areas are intended for business centers that will provide for head-of-household jobs.

Other Land Uses

Other land uses include existing public facilities such as the Machado Wastewater Treatment Plant (WWTP), San Miguel Park, and Lillian Larsen Elementary School. The CPU envisions upgrades to the existing WWTP, as described in Section 2.6.7 (Public Facilities and Services).

The San Miguel Mission, located at 775 Mission Street, and adjacent lands are included in the Recreation (REC) land use category. Although these lands are privately held, they serve not only as a site for a religious institution, but also as a community focal point, tourist attraction, and gathering place for social events. This designation is proposed to remain unchanged in the CPU land use plan. The CPU also envisions expansion of the existing library, community center, and SMCS facility.

The proposed land use category changes affecting other land uses are outlined in Table 4 below.

**Table 4
Proposed Other Land Use Changes**

	Location	Description
1	West side of N Street, between 11 th and 14 th Streets	Re-designate 2 acres from Commercial Service (CS) to Recreation (REC).

2	Salinas River flood plain	Re-designate County-owned properties from Residential Single Family (RSF) and Residential Suburban (RS) to Open Space (OS), totaling approximately 65 acres.
3	Lillian Larsen Elementary School	Re-designate 3 acres of school-owned property from Residential Single Family (RSF) to Public Facility (PF).
4	Wastewater treatment plant	Re-designate 2 acres (wastewater ponds) from Residential Suburban (RS) to Public Facility (PF).

Growth, Population and Change

The Community of San Miguel has been marked by a series of boom and bust cycles, due to its central location between the coast and the agricultural communities of the Central Valley. Based on the 2010 U.S. Census, San Miguel has a total population of 2,336 with a compounded annual growth rate of 5.1 percent. Table 5 conveys the projected population increase through 2035, which will result in a total population of approximately 3,660. This projection is based on 3.17 persons per household.

Table 5: Population Projection			
Year	Total Population	Percent Increase ¹	Annual Growth Rate (CAGR) ²
1990	1,123	---	---
2000	1,420	26%	2.4%
2010 ³	2,336	65%	5.1%
2035	3,658	57%	1.8%

Notes:

1. The percentage increase in population during the 10-year period ending at the year indicated in that row.
2. The compounded annual growth rate during the 10-year period ending at the year indicated in that row.
3. The 2010 population has been adjusted from the information provided by the 2010 Census because the Census Designated Place (CDP) for San Miguel is slightly different than the San Miguel URL.

Businesses in the Community fall into three categories: agricultural support, visitor services, and neighborhood retail. As highlighted in Table 6, San Miguel has a higher percentage of individuals participating in the labor force than the County as a whole, with 86 percent of the labor force employed as of 2010. Many of these jobs are located outside of the community, and thus 55 percent of the workers leave town each day for their jobs (Table 7). The San Miguel Community Plan Update aims to provide opportunities for people to live and work within the community by providing land use areas, public services, and infrastructure to accommodate economic growth.

Table 6: Labor Force Comparison								
	Labor Force in 2000 ¹				Labor Force in 2010 ²			
	San Miguel		SLO County		San Miguel		SLO County	
Employment Status	Number	Percent	Number	Percent	Number	Percent ³	Number	Percent ³
In Labor Force	765	69.0%	116,869	58.3%	1,190	72.3%	133,542	59.3%
Employed	723	94.5%	109,669	93.8%	1,025	86.1%	123,660	92.6%
Unemployed	42	5.5%	6,911	5.9%	165	13.9%	9,882	7.4%
Not in Labor Force	344	31.0%	83,704	41.7%	457	27.7%	91,655	40.7%
Population over 16	1,109	100.0%	200,572	100.0%	1,647 ⁴	100%	225,197 ⁴	100%

Data Sources: 1) 2000 Census; 2) 2010 Census and 2010 American Community Survey (ACS); 3) 2010 (ACS); 4) 2010 Census

Table 7: Estimate of Workers by Place of Work				
	San Miguel		SLO County	
Job Location	Number	Percent	Number	Percent
Work in County of Residence	930	90.7%	109,810	88.8%
Work in Town	439	42.8%	49,959	40.4%
Work out of Town	491	47.9%	59,851	48.4%
Work out of County of Residence	95	9.3%	13,850	11.2%
Total	1,025	100.0%	123,660	100.0%

Source: Based on 2010 American Community Survey (ACS) for San Luis Obispo County and the Paso Robles Census County Division with estimates for San Miguel (2010 ACS information for “workers by place of work” is not produced for the San Miguel Census Designated Place).

Table 8 illustrates the distribution of jobs by industry and further shows that thirty-seven percent of the workforce works in agriculture, construction, or manufacturing. This number is higher than the County average, although the other industries are on par with the County as a whole. The median household income in San Miguel, approximately \$42,000, is also lower than the County as a whole, which is approximately \$57,000 (Table 9).

Table 8: Worker by Industry				
	San Miguel		SLO County	
Industry	Number	Percent	Number	Percent
Ag, Forestry, Mining, etc.	65	6.3%	4,215	3.4%
Construction	185	18.0%	9,418	7.6%
Manufacturing	131	12.8%	7,677	6.2%
Wholesale Trade	0	0.0%	2,968	2.4%
Retail Trade	140	13.7%	15,250	12.3%
Transportation, Warehousing and Utilities	48	4.7%	5,080	4.1%
Information	4	0.4%	2,350	1.9%
Finance, Insurance and Real Estate	10	1.0%	6,935	5.6%
Professional Services	109	10.6%	13,624	11.0%
Educational Services and Health Services	65	6.3%	27,082	21.9%
Arts, Entertainment And Recreation	108	10.5%	14,345	11.6%
Public Administration	14	1.4%	8,162	6.6%
Other Services	146	14.2%	6,554	5.3%
Total	1025	99.90%	123,660	100%

Source: Based on 2006–2010 American Community Survey

Table 9: Household Income				
	San Miguel		SLO County	
Income	Number	Percent	Number	Percent
Less than \$10,000	52	7.0%	6,015	5.9%
\$10,000 to \$14,999	0	0.0%	5,626	5.5%
\$15,000 to \$24,999	92	12.5%	10,245	10.0%

\$25,000 to \$34,999	69	9.3%	9,807	9.6%
\$35,000 to \$49,999	219	29.8%	13,459	13.1%
\$50,000 to \$74,999	92	12.5%	19,178	18.7%
\$75,000 to \$99,999	161	21.8%	13,388	13.1%
\$100,000 to \$149,999	29	3.9%	14,169	13.8%
\$150,000 to \$199,000	23	3.1%	5,751	5.6%
\$200,000 or more	0	0.0%	4,796	4.7%
Median Household Income	\$42,176	X	57,365	X
Total	737	100.0%	102,434	100.0%

Economy and Timing of the Initial Development

Development under the CPU would include new commercial, industrial, and mixed-use projects, resulting in both short-term and long-term job opportunities within San Miguel. Additional commercial growth would provide jobs and services for residents in the community. The proposed 129,000 square feet of additional commercial space could generate up to 430 new jobs in the area.

Economic Strategy. The Economic Strategy for the San Miguel Community Plan was completed by the Natelson Group in January 2013. The Economic Strategy recognized that a comprehensive range of actions, encompassing at a minimum infrastructure development, property (land and building) improvement programs, community promotion, and development coordination based on economic development principles will most likely be required for San Miguel to achieve economic development success. The document included some key findings and strategic concepts, including:

- Implement re-zonings to expand sites for local and regional commercial use, including existing vacant and, selectively, existing developed areas that a) are in need of revitalization, b) could serve as commercial development locations and c) are suitable for potential use change. Projected demand for Office and Industrial space over the projection period (to 2035) is modest, approximately 7,000 and 29,000 square feet, respectively, which could be accommodated in less than 4 acres.
- Consider alternative public-private partnership arrangements to expedite the spread and upgrade of broadband.
- Investigate the potential by which tourism marketing can be structured to properly position San Miguel within the larger region.
- Integrate economic development marketing and tourism marketing, positioning the enhanced community as a unique business environment.
- Encourage the development of additional housing in San Miguel, so that the community can benefit from a more diverse population while increasing its threshold for additional goods and services.
- Implement existing infrastructure plans that support development of the community.
- Establish and administer programs for facility improvements through some form of public support. Consider tying such programs to publicly supported streetscape improvements that can enhance the pedestrian experience in the community.
- Leverage the wine industry momentum by encouraging vintners to create a small number of wine tasting rooms in San Miguel, creating a cluster of activity in San Miguel to attract new complementary development to the area.
- Investigate the potential for and desirability of promoting San Miguel as a residential choice for seniors; 2) investigate the practicality of giving special consideration to San Miguel as a focus for entrepreneurial training and small business development.

Public Facilities Financing Plan. A Draft Public Facilities Financing Plan (PFFP), which is Chapter 8 of the San Miguel Community Plan Update will be provided to the Planning Commission with the Public Hearing Draft prior to the first hearing. This report identifies \$42 million in capital improvement projects distributed across utility infrastructure, transportation, and public facilities. These improvements are crucial to induce private investment, development, and increase economic activity, which work synergistically to provide both public and private benefits. New development within the Community will require development impact fees, road

improvements fees, and special taxes, generating funding for capital improvements as well as ongoing maintenance and operations costs. Additional funding for improvements may include, but are not limited to, countywide sales tax increase, special taxes, grants, utility revenues, and revenue bonds. The capital improvement projects will require prioritization to improve feasibility regarding funding restraints. Overall, the PFFP emphasizes the cost burden associated with necessary infrastructure improvements, which is dependent on the future market conditions of San Miguel.

The Community Plan lists a variety of policies and programs that will encourage timely development and improve the economic conditions of San Miguel.

ENVIRONMENTAL IMPACT REPORT

Use of EIR for Future Projects

Extensive effort went into crafting the EIR in a way that will streamline future development. The EIR was specifically crafted to comply with CEQA Section 15183, which states that development may be exempt from further environmental review if the project is consistent with the Community Plan for which an EIR was certified. Prior to issuance of entitlements for development, within the Study Area of the Community Plan Update, the County will determine whether the project is consistent with the Community Plan.

Key Environmental Issue Areas

Agriculture

The San Miguel Community Plan Update will convert agriculture designated lands to non-agricultural land use designations.

The Community Plan would convert the Indian Valley Area to Multi-Use (CS/RSF) zoning, which will allow for up to 50 single family residences and a minimum of 13 acres of commercial development. To mitigate for the conversion of agricultural lands, applicants choosing to develop in the Indian Valley Area will need to provide sufficient funds, determined by the Agricultural Commissioner, to purchase a farmland conservation easement or deed restriction, and compensate for administrative costs incurred. This will provide for the conservation of farmland of similar quantity and quality to the converted farmland at a 1:1 ratio.

Biological Resources

The biological resources within the Community of San Miguel consist of 84 Special Status species within the URL, and 9 of these species have a high level of federal protection. Direct impacts to special status species will primarily occur during construction associated with proposed development, which may reduce a local population size, create habitat fragmentation, and lower reproductive success of certain species. Future development that impacts Special Status Plant Species will require plant surveys. Projects within the developed urban area of the community, as shown on the Vegetation Map (Figure 4.3-1) in the EIR (Attachment 1) will not be required to complete biological surveys and plant surveys.

The Community of San Miguel falls entirely within San Joaquin Kit Fox habitat. Potential suitable habitat occurs within the URL, although no occurrences have been reported within this area. The Community Plan Update will have the largest impact due to potential removal of high quality habitat consisting of annual grasslands and oak savannah/woodland areas. Infill development would not adversely affect the San Joaquin Kit Fox. Currently, mitigation measures require a 4:1 mitigation ratio in the Study area and surrounding lands. The Community Plan Update contains policies to change this mitigation to include:

- a. Low quality SJKF habitat within Developed-Urban areas: No ratio
- b. Developed-Rural areas: 1:1
- c. Agricultural areas currently in vineyard production: 1:1
- d. Agricultural forage production areas: 2:1
- e. All other areas consisting of medium quality habitat associated with the Salinas River: 2:1
- f. High quality habitat: 4:1

Riparian habitats within San Miguel might also be impacted by the proposed development associated with the Community Plan Update, specifically the willow cottonwood riparian forest. Private development within riparian areas along the Salinas River will not be extensive, however several proposed public projects and land uses occur within or surrounding this sensitive habitat. Development associated with recreational trails will also be in close proximity to this habitat. To mitigate potential impacts, a riparian setback will be required for development as well as forest restoration and monitoring for habitat that is directly impacted.

Cultural Resources

Prior to initiating the Community Plan Update, 51 cultural resource investigations had been conducted for private land owners and community projects. Thirteen resources have been identified within the Study Area and twenty-five potential historic resources occur within the community. The Community Plan Update has the potential to impact these cultural resources due to damage or destruction of historical sites, as well as the diminishing of the integrity or context and setting.

The Community Plan contains policies and programs to help mitigate the impacts caused by potential development within San Miguel, including, but not limited to data recovery and graphic documentation. Applications associated with structures identified in the Historic Resources Inventory will be evaluated by a qualified historian on historical significance before work commences. All projects requiring ground disturbance must complete a Phase 1 archeological survey and additional surveys may be necessary if resources are found onsite. The same level of preservation of historic resources will occur during infrastructure development. Lastly, construction project will be required to monitor for paleontological resources during construction activities.

Water/Hydrology

The Community of San Miguel lies within the Paso Robles Groundwater Basin and relies entirely on this basin as its water supply, pumping a total of 483 acre-feet per year by 2035. Water supply requirements associated with development included under the San Miguel CPU would be met by the SMCSO would be expected to provide “will-serve” letters for future development applications within the CPU area. Future land uses may be restricted if the SMCSO cannot provide will-serve letters verifying sufficient water supply availability. However, based on the analysis provided herein, including current understanding of water supply conditions to the area, there is anticipated to be sufficient water supply availability to support the San Miguel CPU. Overall, sufficient water supplies would be available through the 2035 Plan Horizon Year to meet water demands associated with development that would occur under the San Miguel CPU, and existing regulations – including a required 1:1 offset and other conservation requirements – would further limit water demand. As a result, impacts related to the quantity and movement of groundwater and impacts to the community water service provider would be less than significant. The Community Plan Update also recognizes that agricultural production also relies on groundwater and that there must be a balance to ensure that development does not impair agricultural use.

The terraced valley in which San Miguel is located causes stormwater to flow from higher topography on the west side of town towards the Salinas River. Due to a lack of storm drain infrastructure, low points within the community become inundated when heavy rains occur. To mitigate sediment-filled stormwater flows, the Community Plan Update contains policies that will require new development projects to meet specific stormwater requirements during phased construction and post-construction storm events. Other stormwater upgrades identified in the CPU include correcting the existing drain system deficiencies, expanding the drainage system, and incorporating low impact development and recharge practices into future development.

Alternatives Analyzed in the EIR

No Project/Growth Under Current Plan

The No Project with Growth Under Current Plan Alternative assumes that the San Miguel CPU is not adopted. Population growth and the number of residents within the community would not differ substantially from the current rate. 2020 projections place the population at 3,599 and 2035 projections place the population at 3,658. The buildout of the community would include 1,333 dwelling units, with smaller household size and more residential areas. This alternative would reduce or avoid impacts to agriculture as well as avoid significant land use impacts. Other environmental impacts would be the same or slightly less than the proposed CPU.

No Project/No Further Growth

The No Project with No Further Growth Alternative assumes that the San Miguel CPU is not adopted. No new development would occur in the San Miguel or the greater study area. Residential units would remain at 737 dwellings and other developments would include two parks, two elementary schools, and civic uses. Retail and commercial space would remain at 11,000 square feet. This alternative would avoid agricultural impacts as well as impacts to land use. Other environmental impacts would be the same or slightly less than the proposed CPU.

Agriculture-Focused

The Agriculture-Focused Alternative assumes that the San Miguel CPU is adopted, but modified to eliminate development in certain areas to preserve agricultural resources. Priorities would be placed on the limitation of conversion based on recommended criteria in AGP 24 of the County’s General Plan. The buffers between agricultural land and urban development would increase for any existing agriculture operations. The Indian Valley Road area would not be included in the San Miguel URL, establishing 50 fewer residential units and 51 fewer acres of agriculture-designated land would be converted. The population of the community would be slightly less by 2035, with 3,500 in contrast to 3,658 individuals. Commercial space would also be reduced, although an additional 9,070 square feet would be projected to be built, creating 200,929 total square feet

instead of 210,000 total square feet of commercial space. All other proposed land use changes would occur. The URL would still extend to the north of the URL but would remain in the AG land use category. Impacts to agricultural resources and land use would be substantially reduced or avoided. Other environmental impacts would be the same or slightly less than the proposed CPU.

Expansion of SMCSO Boundaries/Faster Growth Rate

The Expansion of SMCSO Boundaries/Faster Growth Rate Alternative assumes that the San Miguel is adopted and that future market conditions would be more favorable as to increase residential and commercial development. The URL would be expanded to incorporate lands within the SMCSO boundary and the buildout population would increase to 5,006 individuals. The population growth rate estimate would increase to 3 percent growth rate instead of 1.4 for the 20-year plan horizon. The population increase would require 430 additional residential units after the proposed 417 in the current CPU, and commercial buildout would increase to 287,000 square feet. 71 acres west of Highway 101 would be zoned Residential Rural and added to the URL, as well as a second Residential Single Family category in other URL expansion areas. These additional lands would not be capable of accommodating the anticipated growth and increases in density would be necessary.

Environmental impacts would be overall greater with this alternative. Agriculture would have increased impacts with larger areas of land planned for more intense development. Impacts would also be greater with respect to direct land conversion and potential for more widespread incompatibilities between residential and agricultural uses. Land use would also have greater impacts due to the proposed expansion areas containing soils under Prime Farmland classification.

Increased Mixed Use

The Increased Mixed Use Alternative assumes that the San Miguel CPU is adopted with a greater percentage of residential development in Commercial Retail. This would allow multi-family residential units as a greater percentage of the overall land use mix. Commercial growth, in turn, would be reduced proportionally with residential development. The residential population would increase by 13 percent and non-residential buildout would be 190,000 square feet instead of 210,000 proposed in the current CPU. This would result in a larger population in an overall smaller footprint of development area. This alternative would create less pressure to expand the URL by concentrating development in the center of the community. Impacts to agriculture would be reduced because there would be less pressure to convert land use in the expanded URL. Land use impacts would also be reduced. Other environmental impacts would be reduced or avoided with the exception of Cultural Resources, Hazards, Recreation, Transportation, and Wastewater, which would ultimately have greater impacts.

BUSINESS IMPACT STATEMENT

Approving the San Miguel Community Plan Update could ultimately result in positive effects on businesses included within the proposed expansion of the Urban Reserve Line. Development of new commercial, industrial, and mixed use projects under this plan could result in both short-term and long-term job opportunities. The addition of 1,322 new residents may increase activity in existing and nearby retail establishments. If successfully implemented, the Plan could provide opportunities for improved commercial development and housing for people of all incomes, as well as the promotion of tourism to support local businesses and enhancing local commerce.

SUBSEQUENT REPORTS

Staff will prepare and forward to the Planning Commission additional reports in advance of upcoming hearings on the San Miguel Community Plan Update. The reports will complete staff's discussion of the primary issues; describe additional staff-recommended changes to the plan; address the key points of the EIR; and outline the required amendments to the Land Use and Circulation Elements, the LUO, and Official Maps. The Final EIR will be released after the October 13 Planning Commission hearing and before the Board of Supervisors hearing later this year.

ATTACHMENTS

1. Public Review Draft Plan (June 2013)
2. Draft Environmental Impact Review (Clerk's File)

3. List of Major Changes and EIR Overview
4. Table 3-A: San Miguel Land Uses
5. Correspondence Received
6. San Miguel Community Plan Economic Strategy
7. Graphics:
 - a. Figure 1-A: Regional Map
 - b. Figure 1-B: Study Area Map
 - c. Figure 3-Q: Expansion Areas and URL Map
 - d. Farmland in San Miguel: NRCS Classification
 - e. San Miguel Study Area Rezone Map